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Chairman's Opening Statement
by
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at the CGIAR Mid-Term Meeting
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Welcome:

Good morning, Ladies and Gentlemen.

Welcome to the 1998 CGIAR Mid-Term Meeting (MTM98). In keeping with established practice, MTM98 will commence with the Chairman's Opening Statement, followed by a brief period of comment and discussion. I will then make the Chairman's Announcements.

Let me start with a special welcome to Maurice Strong and his distinguished colleagues of the System Review Panel. As we all know, Maurice has been extremely busy, remodeling the United Nations, along with so many other things! We are truly delighted that he agreed to take on this important task, in what I know was a difficult time for him, and doubly glad that he is able to be with us today. We count on the wisdom and sagacity of the panel to guide us as we look to the future.

But even as we await the panel's report, there are urgent issues pressing on us now, as we speak .

The Tasks of MTM:

We will, as has been our tradition, use this MTM to discuss and approve the research agenda for 1999. The new research agenda is well embedded in the MTPs of the centers, it reflects the best of current thinking, and it also reflects increasingly what I have referred to as the double shift in the research paradigm.

The first shift is to bring about the **contextualization of commodity research**. This requires the integration of crop-specific research, which has been so successful in the past, into a broader, more holistic vision. Important commodity research needs to continue, but it must increasingly be linked to ecoregional and sustainability imperatives. Geographically, this approach would emphasize the local or regional ecology. Thematically, it would focus on the synergies among livestock, forestry, aquaculture, and conventional farming. On the socio-economic front, it would seek to increase the productivity and profitability of complex farming systems at the small-holder level. It

would focus on the needs of the small-holder farmer, not the commercial mono-culture concerns.

The second shift is to emphasize the **genetic imperative**. However, this raises a host of other questions on genetic resources, biotechnology and IPR which I will address in detail in a moment. But before I do so, there are two sets of issues that we must address:

- Take a hard look at our current governance and management arrangements, and
- Review funding arrangements, not just from the perspective of crisis management, but from a genuinely strategic vantage point.

To help us in our deliberations, I will try to frame some propositions under each of the headings that need action. I invite you to consider these propositions seriously. Let us keep them in our thoughts and deliberations as we go through the agenda of this week. I am very hopeful that we will reach conclusions on each of these items by the end of the week.

Governance, Management, and Staffing:

At the outset, let me state my own views: ***Too many of our deliberations are focused on a plethora of subjects; thus, the short term and the “urgent” displace the long-term and important. We do not have enough strategic focus in our discussions. We do not have enough nimbleness and speed in our decision-making.***

The formal meetings of the CGIAR, and the business that is transacted there, may perhaps be more effectively transacted with fewer pro-forma reviews of reports that do not raise specific issues of contention, and a lengthier, deeper discussion of the ones that do raise important issues. This may require a new approach by which we would circulate in advance of the meeting some documents specifically designated for approval without formal discussion. Likewise, some of the information reports could be circulated without formal review and discussion.

Items proposed for such streamlined procedures could always be subjected to a formal discussion if a number of members -- say, five (5) -- specifically ask the CGIAR Secretariat for such a discussion. Our Standing Committee reports could be treated the same way, if the membership agrees.

This would result in a less dense agenda, with more time for discussion in depth of the fewer items to be covered. Those delegates who want to make important statements for the record could do so in writing. These statements could be circulated at the meetings and reproduced in the Secretariat's formal Summary of Proceedings. All of this would create more focused meetings with deeper discussion of substantive issues.

There is a balance to be struck between that, and the informal participatory style we have been using to such good effect in a number of cases. Let us not throw out the baby with the bath water.

So, **Proposition # 1**

The streamlined approach is hereby adopted and the Oversight Committee is charged -- in coordination with the Secretariat -- with the task of designating the items to be treated under the streamlined procedure and the construction of the agenda for the next meeting.

Let's turn, meanwhile, to all the other meetings, formal and informal, that sprout like so many mushrooms around the main meetings.

The networking, the discussions, the opportunity to catch up on many things with old friends, the making of new acquaintances in ways that E-mail can never replace; all that is something of an externality that can be added to the benefits of the main meeting where formal business is being transacted. The fact that these activities revolve around the formal meetings of the CGIAR simply reflects the reality that the CGIAR is the most organized of the various actors in that vast coalition of many different groups that is becoming the Global Forum for Agricultural Research. The presence of the groups in parallel meetings at the same physical location at the same time as the CGIAR convenes, surely is an enormous efficiency in bringing to life that Global Forum of all interested parties; the IARCs, the NARS, the AROs, the private sector, the NGOs and the farmers' associations.

That reality should not be confused with the actual business meeting of the CGIAR itself and how to streamline it. That is a thought I would like to leave with you all and with the members of our System Review Panel.

Finance, Funding and Staffing Issues:

Finance and Funding

The business of funding our research agenda is the *raison d'etre* for the CGIAR. So it is not unreasonable that we address it here, yet again! I take pleasure in noting that a number of donors have made important efforts to increase their contributions in 1997. Some are announcing significant increases in 1998. Specifically, I am very pleased to announce that Norway and Sweden have made substantial increases, reaching about 50 percent. Please give them a round of applause.

Despite such efforts, problems press on the centers. I have spoken about them before, but far from abating they have become even more acute. The problems areas include:

- The balance between restricted and unrestricted funding. We must have more unrestricted funding if the centers are to have flexibility and resilience.
- The refusal of some donors to pay the overhead associated with programmatic or project work, which is contrary to the spirit in which we had agreed on the matrix formula.

- The dwindling reserves of the centers, and their inability to build up these reserves because of the limited availability of unrestricted funds.
- The delays of disbursement on pledged funding, which results in lost income, bridge loans and interest payments, not to mention the hidden costs in terms of morale erosion due to uncertainty.
- The variability of the currency fluctuations: donor currencies vs. dollar, local currencies vs. dollar.

Increasing volatility is going to be part of the continuing funding landscape. We must prepare for it. This will require greater reserves at the centers level and at the system-wide level. This issue along with all the others I have just listed will require some strategic thinking about funding to introduce more stability, predictability, transparency and accountability.

The possibilities for non-conventional funding sources also need to be explored. The link to public awareness campaigns should not be as tenuous as they have been in the past. All of this cannot be addressed by a Finance Committee overwhelmed with the fire fighting of crisis management. We will need to establish the basis for a strategic review of the funding issues, and come up with a real overhaul. We need it now.

So, **Proposition #2:**

The Finance Committee should be asked to take the necessary steps to move from crisis management to strategic issues. A mechanism should be in place for the first such strategic effort to be launched by ICW 98.

I cannot leave the issue of financing without raising two more issues that you know well, and about which we must do better. First, is the increasing divergence between actual targeted donor funding and some agreed activities of great importance. These under-funded activities include some system-wide initiatives dealing with natural resources management, such as ASB and water harvesting, as well as some work of undoubted scientific excellence that requires long term support, such as the livestock biological work on animal disease resistance. It is saddening to see some cutting edge work under-funded when so many of our developmental assistance, some \$50~60 billion of it, is going to enterprises of much less importance with lower returns.

Second, let us do more substance with less process. Do not micro-manage the centers. Reduce the demands for reporting and liberate the time and energy of the centers for the science that we are all here to make possible.

Staffing

The centers are going through a difficult process of adaptation. They are forced to deal with the reduction of the unrestricted funding as well as with changing employment

practices. We must not allow the funding situation to affect the ability of the CGIAR to recruit and retain the very best scientists that we can get. Also, the effort to reach out and promote gender and nationality diversity, compatible with the absolute commitment to excellence, should not be weakened or jeopardized.

Centers will need a 21st century workforce for 21st century efforts. When this group discussed gender issues at the Paris MTM, the CGIAR system was lagging behind many other institutions. It has since moved forward as the result of a well-organized and dedicated effort, enthusiastically supported by a group of donors. The gender **research** component of this effort was mainstreamed into the CGIAR's programs last year. The future of the gender **staffing** component was the subject of an important consultation held in the Netherlands some weeks ago. Let us pursue the results of this consultation.

So, **Proposition # 3:**

The group formally endorses the recommendation of the consultation, and commits itself to support focused efforts to address gender staffing issues and to expand these efforts to include additional staff diversity issues.

Genetic Resources, Biotechnology and IPR:

These are not new issues. We have lived with them for a long time. We have had an excellent committee on PGR that has advised us well on many issues, and that has given us valuable tools like the Guiding Principles on IPR and Genetic Resources, and the model MTAs. But the changing world keeps forcing these issues upon us with renewed vigor. A year ago in Cairo, we agreed to ask TAC to form two panels, one dealing with biotechnology and one with proprietary science. They have now submitted their reports, and we thank them for their enormous efforts and their valuable reports. Starting from their recommendations and the comments that I have heard and read, and many of the excellent documents that the CGIAR has produced to guide our actions in these complex areas, I would like to craft some propositions for your consideration.

There are three issues to be considered:

- The CGIAR Germplasm Collections,
- Patenting and Intellectual Property Rights, and
- Why and how we use biotechnology.

Although these three overlap and intertwine in many ways, each is nevertheless distinct and could be profitably discussed as a discrete issue.

The Germplasm Collections

The CGIAR centers must review their MTA agreements, and harmonize them in a clear and unambiguous manner. Divergences should be for functionally related reasons, e.g. the differences in managing the germplasm of livestock or fish or trees.

So, **Proposition #4:**

The center directors should complete their review of existing practices, and adopt the "official text of the CGIAR MTA" and a formal public announcement about this should be made at the end of MTM.

The CGIAR has a set of policies and instruments to guide and provide coherence to its work with genetic resources:

- Ethical principles,
- Agreements with FAO covering 500,000 accessions,
- Guidelines on designating material with FAO (under development),
- Guiding Principles on Intellectual Property Rights (which are being elaborated to address new issues and changed circumstances).

In regard to designated germplasm, CGIAR centers agree to use:

- A common Germplasm Acquisition Agreement, and
- A common Material Transfer Agreement (the text for which was endorsed by the ICWGGR).

In addition, the Genetic Resources Committee of the CGIAR has agreed on May 4 of this year on specific steps to be taken when centers believe that these MTAs may have been violated.

The CGIAR should evolve a clear policy position on the management of germplasm that builds on all of that, with a view to articulating that position not just in the FAO sponsored fora flowing from the Leipzig process but also the COP discussions of the CBD, the TRIPS review process in 1999 and the potential launch of the next WTO round in 2000.

Proposition #5:

The Centers should complete work on the remaining items for a more comprehensive genetic resources policy. The center boards should adopt this germplasm policy and empower representatives of the CGIAR to present it on their behalf in the multiplicity of fora where these issues arise. This should be completed by ICW.

Intellectual Property Rights

The patenting situation is extraordinarily complicated. But it may serve our purposes to distinguish between two sets of issues:

- How the centers may use material that is proprietary as an input into their research.
- The extent to which they can organize joint research with private sector partners and deal with a sharing of patents, including cases where they may have to patent their own work.

Each of these deserves a nuanced discussion.

On the first, using the proprietary materials of others, it is likely that the centers will increasingly be using proprietary material in their research. That is inevitable given the magnitude of the private sector effort in biotechnology and the exponential growth of proprietary patents on tools and processes as well as products. In fact any probe or promoter sequence that is used in our research is likely to be patented.

The long term solution may well be to join with others in the NARS and in the AROs to create a "public research tool kit." This is likely to be an arduous undertaking, and we would have to see what and how we could contribute to such a common endeavor.

The immediate problem is to ensure that our current work does not put us at risk of releasing to NARS material encumbered by proprietary claims, even if our own work may be covered by the conventional "research exemption" of most patented tools.

The ISNAR report raises some concerns in that area. Thus a detailed audit and follow-up are necessary to ensure that the best practices of the few become the standard practices of all. This will need more than the efforts of the individual centers, it requires a system-wide effort. We should appoint and empower a follow-up to the audit, and fund it adequately. The center directors will appoint a designated a senior member of their management team to interact with the follow-up team.

Proposition #6:

The Finance Committee should allocate off the top of the current available funds a notional sum of \$1 million for the audit and follow-up to be undertaken immediately. The report on full compliance and satisfactory procedures should be presented no later than September 1998.

The second set of issues relates to our work with others in the world of a proprietary science.

Collaboration with the private sector can then take the mode of research consortia: the CYMMIT/ORSTOM apomictic gene model. We could pursue agreements ex-ante and sharing of patents for both products and process, so that the Centers could retain the patent for the South and give it for free to all the countries in the South, while the Northern partners keep the patent for the North. This is not so different from what they do themselves.

But other possibilities may arise where the centers will need to patent and dispose of these patents in ways that prevent the profit making private sector from getting a free ride on publicly funded research that uses germplasm held in-trust. Such patents must be pursued within a clear set of principles that benefit the developing countries and the poor.

All of these are complex questions. While the principles are clear, we should be able to allow some flexibility in application to reflect the need for some divergences, but make the principles unambiguous and public. Therefore:

Proposition #7:

The board chairs and DGs will prepare a concise statement of the principles that govern interactions with the private sector and patenting and make it public by the end of this week, and designate an inter-center working group to issue more detailed guidelines by September 1998.

In the implementation of this policy, we will also need specialized advice on how best to handle these issues. Centers should have access to expert legal, negotiating, and technical counsel via a central unit organized to provide, not counsel *per se*, but access to counsel. Thus one more proposition:

Proposition #8:

A central advisory capacity on legal matters, not a central legal counsel but one who knows where to go for the advice needed, shall be created. The Finance Committee will allocate \$250,000 for that central capacity. That capacity shall be in place by ICW98.

Why Biotechnology:

Given the immensity of the long term food security and environmental conservation challenges confronting developing countries, the CGIAR has extensively debated the possible use of biotechnology in its efforts to cope with promoting sustainable agriculture for food security, and promoting poverty reduction in the face of mounting demographic pressure and limited natural resources. Issues of ethics, biosafety and intellectual property rights have dominated the debate. A recent set of meetings held at the World Bank addressed the biosafety and ethical questions, and a draft of the report of that meeting which Wanda Collins and I are editing for publication has been distributed to all of you. That volume also includes a full reprint of the Kendall panel report on biotechnology.

The CGIAR work in this area should be done within a clear framework that governs all the activities of the centers, a framework that is in keeping with all the principles that we have long stood for, our concern for the poor, the environment, our responsible trusteeship of the germplasm collections. We have done a lot to clarify the pieces of such a framework to govern our work in biotechnology. Let me try to summarize:

- Biotechnology must be viewed as one of the important tools for providing food security for the poor.
- The System advocates the prudent application of the full range of biotechnology tools to achieve substantial and sustainable growth in agricultural productivity in poor countries. These tools include, but are not limited to, molecular markers, genetic engineering, and recombinant vaccines.
- The CGIAR views biotechnology as a promising means for ensuring environmental protection over the long term.
- The CGIAR has a clear comparative advantage in ensuring access by the countries of the South to the advanced tools of biotechnology. This advantage accrues by virtue of its present credible mass in biotechnology, its global network of partnerships within and among countries of the South, and its increasingly close linkages to advanced research institutions of the North, both public and private.
- Given the extremely rapid pace of new developments in biotechnology, the System is committed to increasing its partnerships with AROs, both public and private, North and South, to assure ready access by CGIAR scientists and our partners in the South to advanced technologies. In this context, I am happy to note that two proposals for enhanced partnerships are being advanced by two AROs for our consideration.
- The CGIAR will probably have to make significant investments in the arena of biotechnology in order: (1) to maintain its own credible scientific mass in this rapidly changing frontier that is becoming so critical for any breeding work; (2) to enable it to be more proactive in assisting countries of the South to establish effective biosafety regulations; and (3) to contribute substantially to developing the human capital needed to ensure the judicious application of appropriate biotechnology tools to important food security and environmental problems.
- The CGIAR is firmly committed to the application of genomics (molecular genetics, molecular markers) for the immediate use in better understanding and manipulating the genomes of plants, animals, and their pathogens and pests.
- The development and deployment of transgenics (via genetic engineering), while politically sensitive, is seen by the System to provide important options for meeting the food security and environmental challenges of the future, options that we cannot afford to exclude from our activities.
- The CGIAR firmly believes that all of its activities in the arena of biotechnology must be carried out under appropriate and approved biosafety regulatory frameworks, both within individual countries and institutions.

- The System will not enter into biotechnology partnerships with institutes that do not have such regulatory frameworks in place.

We now need a clear and public statement of this as policy. We need to link it to the other documents that have an impact on the related topics of genetic resources and collaboration with the private sector, and patenting and the ethical guidelines we have adopted. Hence:

Proposition #9:

A short and clear statement on biotechnology policy, building on what we already have, shall be completed and adopted by the centers (directors and board chairs) and made public by the end of this week. A more complete statement would be ready by September and distributed for ICW.

These propositions, if followed on, would result in our having a much clearer and public statement of how the centers will be interacting with the private sector for the benefit of the NARS, the poor and the environment on which we all depend. Coupled with the earlier statements on the management of genetic resources, and patenting issues, it would provide a clear position for the CGIAR on this complex set of interrelated issues.

Envoi:

I do not expect the propositions that I have made to be adopted or rejected now, not even debated or discussed now. Rather, these are intended to be some thoughts that you will carry through the disposition of the agenda, and at each point when we discuss one of the items that are addressed by my opening comments, I hope that the propositions I made will help focus our discussion, and give us an actionable decision to accept, amend or replace by another proposition. In that way, our discussions will lead to movement and progress if not closure on some of these complex issues.

In millions of homes around the world, men women and children live unfulfilled lives. They suffer in the grip of hunger and malnourishment. To help end their bondage is our calling. There are 40,000 persons who die from hunger related causes every day. So let is not waste a single day. Let us act with wise deliberation and all the speed that these enormous challenges demand. We can do no less.